

ORIGINAL

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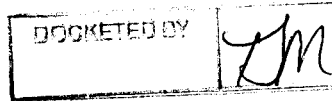
July 3, 2012

VIA OVERNIGHT DELIVERY

Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007
(602) 542-2237

Arizona Corporation Commission
DOCKETED

JUL 05 2012



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2012 JUL -5 P 1:05
DOCKET CONTROL

Re: 1 800 Collect, Inc.
Docket No. T-20832A-12-0014

Dear Sir/Madam:

Enclosed please find for filing an original and thirteen (13) copies of 1 800 Collect, Inc.'s responses to the Commission's request for information in 1 800 Collect, Inc.'s Application and Petition for Certificate of Public Convenience and Necessity to Provide Alternative Operator Telecommunications Services.

I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self-addressed, postage prepaid envelope.

If you have any questions or if I may provide you with additional information, please do not hesitate to contact me.

Respectfully submitted,

Lance J.M. Steinhart
Attorney for 1 800 Collect, Inc.

cc: Maritza Morales

Pamela J. Genung, Utilities Division/via e-mail to: PGenung@cc.state.az.us

**ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET OF DATA REQUESTS TO
1 800 COLLECT, INC. ("1 800 Collect")
Docket No. T-20832A-12-0014**

July 3, 2012

- PJG 2.1. In response to Staff Data Request PJG 1-10, 1 800 stated that "some calls originate from Mobile Operators and they have insisted on 5 minute minimum plans". Please provide responses in regards to the above information:
- a. Are the Mobile Operators that 1 800 is referencing in its response to PJG 1-10 wireless providers?
 - b. Please identify who the Mobile Operators are, by company name, that 1 800 is referencing in its response to PJG 1-10.
 - c. Please identify, by company name, which other AOS providers in Arizona are getting charged a 5 minute minimum from Mobile Operators.
 - d. Are end users customers notified in advance about a 5 minute minimum?
 - e. If the response to PJG 2.1(d) is yes, please describe the method used for advance notification of the 5 minute minimum to end user customers.

- RESPONSE:
- a. Yes. The mobile operators that 1 800 is referencing in its response to PJG 1-10 are wireless providers.
 - b. They include, but are not limited to, Kajeet, MetroPCS and TMobile.
 - c. 1 800 Collect, Inc. does not have information on other AOS providers.
 - d. Yes. End user customers are notified in advance about a 5 minute minimum.
 - e. As part of the "Opt In Process" of receiving a collect call, the user is provided with this information.

All Contacts Providing Information/Response for the above question:

Gregorio Galicot, President
1658 Gailes Boulevard, Suite B., San Diego, California 92154
E-Mail: support@faircall.com
Telephone Number: (619) 710-1650

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- PJG 2.2. In reference to 1 800's proposed Arizona CC Tariff No. 2, on Original Sheet No. 24, at 3.7.1, a Monthly Recurring Fee of \$2.00 is listed for 1+ Service I and 1+ Service II.
- a. Please identify who will be charged the monthly recurring fee (e.g. hotel, end user customers, etc.)

RESPONSE: Fee would be charged to any user that subscribed to using the 1+ service and would be notified in advance of purchase.

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- PJG 2.3. In response to Staff Data Request PJG 1-13(a), 1 800 stated that an Operator Assisted IntraLATA Vanity Call is "a call with the same LATA that originated over a customer chosen access method such as 1-800-Collect".
- a. Please further describe how an Operator Assisted (Auto Collect) IntraLATA Vanity Call billed at \$9.75 operator surcharge + \$1.15 per minute (see Original Sheet No. 27) **differs** from an Operator Assisted (Station to Station Collect) IntraLATA Call billed at \$2.30 operator surcharge + \$0.30 per minute (see Original Sheet No. 26).
 - b. When would each of the above rating methods apply on any call;
 - c. Are there conditions when both rating methods would apply on a call? If yes, please identify the conditions;
 - d. What are all the possible "access methods" other than 1-800-Collect?

- RESPONSE:
- a. Vanity calls are distinctly different from standard zero +/- calls insofar as the customer is actively choosing to dial into 1-800-Collect. The customer has made an informed decision about which operator services provider he or she prefers. In the case of zero +/- service, the user must utilize the service offering pre-selected by a payphone operator.
 - b. If a customer dials zero plus minus from payphone which the payphone operator pre-selected 1-800-Collect as the operator service provider, original sheet No. 26 would apply.
 - c. No. There are not conditions when both methods would apply to the same call.
 - d. Zero + / - and 1-800-265-5328.

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PJG 2-4. In response to Staff Data Request PJG1-14(a), 1 800 stated that a Property Imposed Fee of \$6.00 is a "fee imposed by the site location of the originating property for which we are providing service". In 1 800's proposed tariff at Original Sheet No. 25 and Original Sheet No. 26, the **maximum allowable** Location Specific Charge of \$1.00 is listed. Staff recommends removing the \$6.00 Property Imposed Fee from Original Sheet No. 27 and filing a replacement page to the proposed tariff.

RESPONSE: Attached please find replacement Original Sheet No. 27 to 1 800 Collect, Inc.'s Arizona CC Tariff No. 2.

All Contacts Providing Information/Response for the above question:

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ALTERNATIVE OPERATOR SERVICES TARIFF

SECTION 3 - SERVICE DESCRIPTIONS AND RATES (CONT'D.)**3.7 Operator Assisted Calling (cont'd)****3.7.2 IntraLATA Rates****Vanity**

Per Minute	1.15
Operator Surcharges:	
Collect:	
Auto	9.75
0+ Op Assist	9.75
0- Op Assist	9.75
Calling Card:	
Auto	9.75
0+ Op Assist	9.75
0- Op Assist	9.75
Third Party:	
Auto	9.75
0+ Op Assist	9.75
0- Op Assist	9.75
Bank Card:	
Auto	9.75
0+ Op Assist	9.75
0- Op Assist	9.75
Person to Person:	9.75

Miscellaneous Charges**Non-Subscriber Fee** **\$3.50****Universal Service Fund** **FCC Rate for Interstate/International
State Rate for Intrastate Calls****Paystation Surcharge** **\$0.60****Dial Around Surcharge** **\$1.50**

Issued:

Effective:

Issued by:

Gregorio Galicot, President
1658 Gales Boulevard, Suite B.,
San Diego, CA 92154

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PJG 2-5. In response to Staff Data Request PJG 1-14(b), 1 800 stated that the Non-Subscriber Fee of \$3.50 is defined as "user not subscribed to the network". Please identify who is billed this fee (e.g. hotel, end user customer, etc.)

RESPONSE: This fee is billed to the End User customer.

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PJG 2.6. In response to Staff Data Request PJG 1-14(f), 1 800 stated that the Tax Recovery Surcharge of \$0.99 is now called a Federal Regulatory Fee for \$0.99. Staff does not support such a fee and it is recommended that a replacement page to the proposed tariff be filed removing such a fee.

RESPONSE: Please see attached replacement Original Sheet No. 27 to 1 800 Collect, Inc.'s Arizona CC Tariff No. 2. In PJG 2.3's response.

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PJG 2.7. In its Application, 1 800 provided financial statements for Faircall, Inc. for the fiscal years ending January 31, 2010 and January 31, 2011. Please provide financial statements for 1 800 for the fiscal year ending January 31, 2012.

RESPONSE: Please see attached.

All Contacts Providing Information/Response for the above question:

Gregorio Galicot, President
1658 Gailes Boulevard, Suite B., San Diego, California 92154
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1 800 Collect, Inc.
Balance Sheet Summary
Fiscal Year 2013
As of 5/31/2012

	Current YTD 2013
ASSETS	
Current Assets	
Wells Fargo	\$ 22,482
Wells Fargo - 488	\$ (249)
Royal Bank of Canada	\$ 22,961
Accounts Receivable - BBG Communications	\$ 97,041
Accounts Receivable - BBG Communications	\$ -
Advance - Commissions - Agents	\$ 180,000
Prepaid Exp. - Insurance	\$ 884
Prepaid Exp. - Others	\$ 11,129
 Total Current Assets	 \$ 334,248
Intangible Assets:Goodwill	\$ 25,000
Intangible Assets:Covenant/Non Compete	\$ 25,000
Intangible Assets:Contracts	\$ 51,000
Intangible Assets:Intellectual Property	\$ 25,000
 TOTAL ASSETS	 <u>\$ 460,248</u>
LIABILITIES AND EQUITY	
Current Liabilities	
Accounts Payable	\$ 24,984
Accrual Others	\$ 26,421
Intercompany Payable - BBG Communications	\$ (9,972)
 Total Current Liabilities	 \$ 41,433
 Common Stock	 \$ 4,500,000
Retained Earnings	\$ 1,726,532
Owners Dividends	\$ (5,764,757)
Net Profit/(Loss)	\$ (42,961)
 Total Equity	 \$ 418,814
 TOTAL LIABILITIES AND EQUITY	 <u>\$ 460,248</u>

1 800 Collect, Inc.
Income Statement Summary
From 2/1/2012 to 5/31/2012

	Current YTD 2013	% of Net Rev.
GROSS REVENUE	\$ 559,896	100.00%
NET REVENUE	\$ 559,896	100.00%
COST OF SALES		
Cost of Phone Services	\$ 296,607	52.98%
Billing and Collection	\$ 88,761	15.85%
TOTAL COST OF SALES	\$ 385,368	68.83%
GROSS PROFIT	\$ 174,528	31.17%
SELLING AND ADMINISTRATIVE		
Advertising and Promotion	\$ 4,172	0.75%
Administrative Expense	\$ 209,826	37.48%
SELLING AND ADMINISTRATIVE EXPENSES	\$ 213,998	38.22%
INTEREST EXPENSE		
Interest Expense	\$ -	0.00%
TOTAL INTEREST EXPENSE	\$ -	0.00%
NET OPERATING INCOME	\$ (39,470)	-7.05%
Other Income and (Expenses)	\$ (3,489)	-0.62%
NET INCOME BEFORE TAXES	\$ (42,959)	-7.67%
Income Tax Expense	\$ -	0.00%
NET INCOME	<u>\$ (42,959)</u>	<u>-7.67%</u>

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PJG 2.8. As requested in item (A-16) of the Application, please submit copies of affidavits of publication indicating that 1 800 has published legal notice in all the counties where the authority to provide service is required. Please refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication).

RESPONSE: An affidavit of publication will be provided as soon as publication has been completed.

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CORRECTED RESPONSE TO PJG 1-4:

PJG 1-4. Please describe 1800's relationship with BBG Communications, Inc.

CORRECTED RESPONSE: 1 800 Collect, Inc. purchases underlying telecommunication services from BBG Communications, Inc.

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